Independent Auditors' Report

To the members of Dasve Retail Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Dasve Retail Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss, the Statement of Changes in equity, the Cash Flow Statement for the period then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules , 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, an audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

Basis for Qualified Opinion

Current and Non-Current Borrowings including finance charges are subject to confirmation, reconciliation and consequential adjustments, if any.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the matters specified in the Basis for Qualified Opinion, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its loss, the changes in equity and its cash flows for the year ended on that date.

Other Matters

The comparative financial information of the company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these Standalone financial statements are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2016 and March 31, 2015 dated April 20, 2016 and April 21, 2015 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with in this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015.

(e) On the basis of written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the director is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to separate Report in "Annexure B".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which would impact its financial position;

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) The company has disclosed in its financial statements as to holdings as well as dealings in specified bank notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of account maintained by the Company.

For G. D. Apte & Co
Chartered Accountants
Firm Registration Number: 100515W

G. D. APTE & CO. Chartered Accountants

U.S.Abhyankar
Partner
Membership No.: 113053,
Mumbai, April 18, 2017

ANNEXURE– A TO THE AUDITORS' REPORT

(Referred to in Paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of the Company for the period ended March 31, 2017 Dasve Retail Limited)

(i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties held in the name of the Company.

(ii) In the absence of inventory during the year, paragraph 3 (ii) of the order is not applicable for period.

(iii) According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, provisions of paragraph 3 of the Order are not applicable.

(iv) Based on the audit procedures conducted by us and according to the information and explanations given to us, the company has not advanced any loans, made any investments, given any guarantees and securities. Accordingly paragraph 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits from public to which provisions of sections 73 to 76 or any other relevant provisions of the Companies Act. 2013 and the Companies (Acceptance of Deposit) Rules 2014 apply.

(vi) According to the information and explanations given to us, the Company is not required to maintain cost records under sub-section (1) of section 148 of the Companies Act, 2013.

(vii) (a) As per information and explanations given to us, no liability in respect of provident fund and employee's state insurance, sales tax, duty of customs, duty of excise, cess, value added tax and other statutory dues has arised during the period under audit.

The Company has been generally regular in depositing the income tax dues and service tax dues with the appropriate authority and there are no undisputed amounts payable there of

G. D. APTE & CO. ★ Chartered Accountants ★

which are outstanding, as at March 31, 2017 for a period of more than six months from the date they became payable except as mentioned below:

Nature of Dues	Period to which the amount relates	Due Dates	Amounts (Rs. In Lacs)
Service tax, Cess and interest thereon	June 2016	July 2016	0.67

However, Service tax input credit/ liability is subject to reconciliation with the returns filed with Government authorities.

(b) According to the information and explanations given to us, there are no amounts payable in respect of Income Tax, Service tax which have not been deposited on account of any disputes.

(viii) According to the information to the extent compiled by the company, the defaults in repayment of loans and borrowings are as below, which are subject to confirmation from the bank:

(Rs. In lakhs)

Delay	Principal — paid with delay	Principal Unpaid	Interest — paid With delay	Interest Unpaid
Central Bank of India				
1 to 30 days	-	-	20.35	18.85
1 to 3 months	-	-	58.59	-
3 months and above	-	-	167.87	-

(ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). The term loan was applied for the purposes for which the same was raised.

(x) According to the information and explanations given to us and based on our audit procedures, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us, no managerial remuneration has been paid during the year. Accordingly, provisions of paragraph 3 (xi) of the Order is not applicable to the Company.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

G.D. APTE & CO. Chartered Accountants

(xiii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us, we report that the transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details as required by the applicable accounting standards have been disclosed in the financial Statements. Since the company is not listed company or a company prescribed within the class of companies under Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014, provisions of section 177 of the Act are not applicable to the company.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

(xv) Based on the audit procedure performed for the purpose of reporting the true and fair view of financial statements and as per the information and explanation given to us , we report that the company has not entered into any non- cash transitions of the nature as described in section 192(1) of the Act.

(xvi) Based upon the audit procedure performed by us and as per the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For G. D. Apte & Co
Chartered Accountants
Firm Registration Number: 100515W

G. D. APTE & CO. Chartered Accountants

U.S.Abhyankar
Partner
Membership No.: 113053
Mumbai, April 18, 2017

ANNEXURE 'B' TO THE AUDITORS' REPORT

(Referred to in paragraph 2 (f) under the heading 'Report on other legal and regulatory requirements' of our report on even date on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") to the members of the Company for the period ended March 31, 2017 of Dave Retail Limited)

To the Members of Dasve Retail Limited

We have audited the internal financial controls over financial reporting of Dasve Retail Limited ("the Company"), as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and issued by ICAI and as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

G. D. APTE & CO. Chartered Accountants

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For G. D. Apte & Co
Chartered Accountants
Firm Registration Number: 100515W

G. D. APTE & CO. Chartered Accountants

U.S.Abhyankar
Partner
Membership No.: 113053
Mumbai, April 18, 2017

Dasve Retail Limited
CIN.U51109MH2008PLC187367

Balance Sheet as at 31st March,2017

(₹ in Lakhs)

	Particulars	Note No	As at March 31st, 2017	As at March 31st, 2016	As at April 1st, 2015
	ASSETS				
	Non-current assets				
	Investment Property	2.01	3,186.12	3,312.31	3,166.38
	Loans and Advances	2.02	4,222.85	4,222.85	3,639.44
	Other Non Current assets	2.03	79.06	89.06	9.01
	Current assets				
(a)	Financial Assets				
	(i) Trade Receivable	2.04	69.57	43.49	18.18
	(ii) Cash and Cash equivalents	2.05	42.89	21.30	35.38
	(iii) Other Financial assets	2.06	37.32	-	-
(b)	Current tax assets (net)	2.07	3.38	2.19	9.46
(c)	Other current assets	2.08	26.47	30.56	18.08
	Total Assets		**7,667.67**	**7,721.77**	**6,895.93**
	EQUITY AND LIABILITIES				
	Equity				
	Equity Share capital	2.09	5.00	5.00	5.00
	Other Equity	2.10	5,646.36	5,809.78	6,062.31
	Non-current liabilities				
(a)	Deferred tax liabilities (net)	2.11	-	-	-
(b)	Financial Liabilities				
	(i) Borrowings	2.12	1,795.33	1,604.00	-
	Current liabilities				
(a)	Financial Liabilities				
	(i) Borrowings	2.13	66.39	50.00	60.28
	(ii) Trade payables	2.14	6.62	103.46	651.98
	(iii) Other financial liabilities	2.15	143.55	147.83	114.70
(b)	Other current liabilities	2.16	4.41	1.69	1.67
	Total Equity and Liabilities		**7,667.67**	**7,721.77**	**6,895.93**

Significant accounting policies and notes to financial statements form an integral part of Balance Sheet.

As per our attached report of even date

For and on behalf of the Board of Directors

For G. D. Apte & Co.
Chartered Accountants
ICAI Firm Registration No. 100515W

G. D. APTE & CO. Chartered Accountants

U. S. Abhyankar
Partner
Membership No. 113053

Place: Mumbai
Date: 18th April, 2017

Harshad Bhatt
Director
DIN : 07520677

Mukund Rathi
Director
DIN : 07260182

Neel Patil
Director
DIN : 07559308

Place: Mumbai
Date: 18th April, 2017

Dasve Retail Limited
CIN.U51109MH2008PLC187367

Statement of Profit and Loss for the Year ended March 31,2017

(₹ in Lakhs)

Particulars	Note no	For the Year ended 31st March,2017	For the Year ended 31st March,2016
Revenue from Operations	2.17	70.68	80.39
Other Income	2.18	120.72	0.84
Total Income		**191.40**	**81.22**
EXPENSES			
Office and Other Expenses	2.19	26.61	120.21
Finance Cost	2.20	266.40	182.08
Depreciation and amortization expenses	2.01	61.81	129.11
Total Expenses		**354.82**	**431.39**
Profit/(Loss) before tax		**(163.42)**	**(350.17)**
Tax expenses			
(1) Current tax		-	-
(2) Deferred tax		-	-
Profit (Loss) for the period from continued operations		(163.42)	(350.17)
Profit / (Loss) from discontinued operations		-	-
Tax expenses of discontinued operations		-	-
Profit / (Loss) from discontinued operations (after tax)		-	-
Profit / loss for the period		**(163.42)**	**(350.17)**
Other Comprehensive Income items that will not be reclassified to Profit or Loss			
Items that will not be reclassified to profit or loss		-	-
Income tax relating to items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
Income tax relating to items that will be reclassified to profit or loss		-	-
Total other Comprehensive Income for the Year, net of tax		-	-
Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)		(163.42)	(350.17)

G. D. APTE & CO. Chartered Accountants

(₹ in Lakhs)

Particulars	Note no	For the Year ended 31st March,2017	For the Year ended 31st March,2016
Earning per equity share (For continuing operations):			
i) Basic (₹ per share)		(326.84)	(700.34)
ii) Diluted (₹ per share)		(326.84)	(700.34)
Earning per equity share (For discontinued operations):			
i) Basic (₹ per share)		-	-
ii) Diluted (₹ per share)		-	-
Earning per equity share (For discontinued & continuing operations):			
i) Basic (₹ per share)		(326.84)	(700.34)
ii) Diluted (₹ per share)		(326.84)	(700.34)

Significant accounting policies and notes to financial statements form an integral part of the

As per our attached report of even date

For G. D. Apte & Co.
Chartered Accountants
ICAI Firm Registration No. 100515W

G. D. APTE & CO. Chartered Accountants

U. S. Abhyankar
Partner
Membership No. 113053

Place: Mumbai
Date: 18th April, 2017

For and on behalf of the Board of Directors

Harshad Bhatt
Director
DIN : 07520677

Mukund Rathi
Director
DIN : 07260182

Neel Patil
Director
DIN : 07559308

Place: Mumbai
Date: 18th April, 2017

Dasve Retail Limited
CIN.U51109MH2008PLC187367

Statement of Changes in Equity as at March 31, 2017

A. Equity Share Capital

Balance at April 01, 2015	Balance as at March 31, 2016	Changes in equity share capital during the year	Balance as at March 31, 2017
5.00	5.00	-	5.00

B. Other Equity

(₹ in Lakhs)

Particulars	Equity component of CRPS	Equity contribution by holding company	Reserve and Surplus		Total
			Securities Premium Reserve	Retained Earnings	
Balance as on 1st April 2015	78.91	-	7,812.57	(1,829.17)	6,062.31
Equity contribution by Holding Company	-	97.64	-	-	97.64
Other Comprehensive income for the year	-	-	-	-	-
Profit (Loss) for the period				(350.17)	(350.17)
Balance as on 31st March 2017	78.91	97.64	7,812.57	(2,179.34)	5,809.78
Other Comprehensive income for the year	-	-	-	-	-
Profit (Loss) for the period				(163.42)	(163.42)
Balance at the end of 31st March 2017	78.91	97.64	7,812.57	(2,342.76)	5,646.36

Significant accounting policies and notes to financial statements form an intergal part of the Statement of Changes in Equity.

As per our attached report of even date

For and on behalf of the Board of Directors

For G. D. Apte & Co.
Chartered Accountants
ICAI Firm Registration No. 100515W

G. D. APTE & CO. Chartered Accountants

U. S. Abhyankar
Partner
Membership No. 113053

Place: Mumbai
Date: 18th April, 2017

Harshad Bhatt
Director
DIN : 07520677

Mukund Rathi
Director
DIN : 07260182

Neel Patil
Director
DIN : 07559308

Place: Mumbai
Date: 18th April, 2017

Dasve Retail Limited
CIN.U51109MH2008PLC187367

Statement of Cash Flow for the year ended March 31 , 2017

(₹ in Lakhs)

Particulars	As at March 31st, 2017	As at March 31st, 2016
CASH FLOW FROM OPERATING ACTIVITIES		
-Net profit / (loss) before tax	(163.42)	(350.17)
-Depreciation	61.81	129.11
-Interest	266.40	182.08
Operating profit before working capital changes	164.79	(38.98)
- (Increase) / Decrease in Trade Receivables	(26.08)	(25.31)
- (Increase) / Decrease in Other Financial Assets	(37.32)	-
- (Increase) / Decrease in Other Current Asset	4.09	(2.48)
- (Increase) / Decrease in Other Non Current Asset	-	-
- Increase / (Decrease) in Trade Payables	(96.85)	(548.52)
- Increase / (Decrease) in Other Financial Liabilities	(4.28)	33.14
- Increase / (Decrease) in Other Current Liabilities	2.72	0.02
Cash Generated from operations	**7.07**	**(582.13)**
Add : Direct Taxes (Paid) / Refunded	(1.18)	7.27
NET CASH FLOW FROM OPERATING ACTIVITIES	**5.89**	**(574.86)**
CASH FLOW FROM INVESTING ACTIVITIES		
Increase / Decrease in Capital Advance	-	(583.41)
- (Purchase)/Sale of fixed assets/Capital work in Progress	64.38	(275.04)
NET CASH FLOW FROM INVESTING ACTIVITIES	**64.38**	**(858.45)**
CASH FLOW FROM FINANCING ACTIVITIES		
- Proceeds / (Repayment) of long term borrowings	191.33	1,604.00
- Proceeds / (Repayment) of short term borrowings	16.39	(10.28)
- Interest Paid	(256.40)	(174.49)
NET CASH FLOW FROM FINANCING ACTIVITIES	**(48.68)**	**1,419.24**

G. D. APTE & CO. ★ Chartered Accountants ★

(₹ in Lakhs)

Particulars	As at March 31st, 2017	As at March 31st, 2016
Increase / (Decrease) in cash and cash equivalents	21.59	(14.08)
Cash and cash equivalents at beginning of the year	21.30	35.38
Cash and cash equivalents at end of the year	42.89	21.30

Notes :

i) Details of Cash and cash equivalents are given in note No. 2.05

ii) The above cash- flow statement have been prepared under the indirect method setout in Ind AS 7, 'Statement of Cashflows' specified under section 133 of the Act read with rule 4 of the Companies (Indian Accounting Standard) Rules, 2015 and rule 4 of Companies (India Accounting Standard) Amendment Rules 2016.

iii) Direct Tax paid is treated as arising from operating activities and are not bifurcated between investment and financing activities.

iv) All figures in brackets indicate outflow.

v) Previous year figures have been regrouped/recast wherever necessary.

As per our attached report of even date

For G. D. Apte & Co.
Chartered Accountants
ICAI Firm Registration No. 100515W

G. D. APTE & CO. Chartered Accountants

U. S. Abhyankar
Partner
Membership No. 113053

Place: Mumbai
Date: 18th April, 2017

For and on behalf of the Board of Directors

Harshad Bhatt
Director
DIN : 07520677

Mukund Rathi
Director
DIN : 07260182

Neel Patil
Director
DIN : 07559308

Place: Mumbai
Date: 18th April, 2017

Note No.1: SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS AS AT 31ST March 2017

A Company Overview

Dasve Retail Limited ('the company') is a public limited company incorporated and domiciled in India and it is engaged in Retail and Leasing Business at Lavasa, India. The company was incorporated on 8th October 2008 and having its registered office in Mumbai, India. The Company operates as a subsidiary of Lavasa Corporation Limited.

B Basis of Preparation of Financial Statements

The financial statements are prepared in accordance with Indian Accounting Standard (Ind AS) under the historical cost convention on the accrual basis, the provision of Companies Act, 2013 (to the extend notified). The Ind AS prescribed under section 133 of the Act read with rules 3 of the Companies (Indian Accounting Standard) Rules, 2015 and Companies (India Accounting Standard) Amendment Rules 2016.
The Company has adopted all Ind AS standards and adoption has been carried out in accordance with Ind AS101, First Time Adoption of Indian Accounting Standard. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Sec 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in Note 2.29, 2.30,2.31 & 2.32.

C Statement of Compliance

The Financial Statements comprising Balance Sheet, Statement of profit and Loss, Statement of changes in Equity, Cash Flow Statement, together with notes for the year ended March 31, 2017 have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016

D Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:
i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);

E Functional and Presentation Currency

Items included in financial statement of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency").
Indian rupee is the functional currency of the Company.
The financial statements are presented in Indian Rupees (₹) which is the Company's presentation currency. All financial information presented in Indian Rupees has been rounded up to the nearest lakhs except where otherwise indicated.

F First-time adoption of Ind AS

The financial statement for the year ended March 31, 2017 are the first financial statement prepared by the company in accordance with Ind As.

For the periods up to and inclusive of year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards specified in section 133 of companies Act 2013 read together with rule 7 of Companies (Accounting Standards) Rules 2014 (Previous GAAP). Reconciliation and description of the effect of transition from previous GAAP to Ind AS on equity , Profit and cash flows are provided in Note No. 2.29, 2.30, 2.31 & 2.32. The Balance Sheet as on the date of transition has been prepared in accordance with Ind AS 101 first- time Adoption of Indian Accounting Standards.

Ind AS 101 requires that all Ind AS for the first Ind AS Financial Statements, be applied consistently and retrospectively for all fiscal years presented. However this standard provides some exceptions and exemptions to the general this general requirement in specific cases. The application of these exceptions and exemptions are as discussed below:

G. D. APTE & CO. * Chartered Accountants *

(a) **Exceptions to retrospective application of other Ind AS**

i. **Estimates:**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is an objective evidence that those estimates were in error. The Company has not made any changes to estimates made in accordance with Previous GAAP.

ii. Ind AS 109 – Financial Instruments (Classification and measurement of financial assets) :

Classification and measurement of financial assets shall be made on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has evaluated the facts and circumstances existing on the date of transition to Ind AS for the purpose of classification and measurement of financial assets and accordingly has classified and measured financial assets on the date of transition.

iii. Ind AS 17 Leases :

An entity shall determine based on facts and circumstances existing at the date of transition to Ind AS whether an arrangement contains a Lease and when a lease includes both land and building elements, an entity shall assess the classification of each element as finance or operating lease. The Company has used this exemption and assessed all arrangements based on conditions existing as at the date of transition.

(b) **Exemptions from retrospective application of Ind AS**

i. Ind AS 16 Property, Plant and Equipment/ Ind AS 38 Intangible assets :

An entity may elect to measure an item of property, plant and equipment and Intangible asset at the date of transition to Ind AS at its fair value and use that fair value as deemed cost at that date or may measure the items of Property, plant and equipment, Intangibles by applying Ind AS retrospectively or use the carrying amount under Previous GAAP on the date of transition as deemed cost. The Company has elected to continue with the carrying amount for all of its property, plant and equipment , Intangible assets measured as per Previous GAAP and use that as its deemed cost as at the date of transition.

G Use of Estimates

The preparations of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities, at the time of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

Application of accounting policies that require critical accounting estimates and assumption having the most significant effect on the amounts recognized in the financial statements are :

Useful lives of property, plant and equipment
Provisions
Utilization of Tax Losses

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H SIGNIFICANT ACCOUNTING POLICIES:

a) Investment Property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition,investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

The Company depreciates building component of investment property over 60 years from the date of original purchase.

For the above classes of assets, based on internal assessment, Management believes that the useful life as given above represents the period over which it expects to use these assets. Hence the useful lives of these assets are different from the useful lives as prescribed under Part C of Schedule II of Companies Act, 2013.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

b) Intangible Assets

Intangible assets are valued at cost less accumulated amortization and impairment loss if any. Intangible assets are amortized over their respective individual estimated useful lives on straight line basis.

c) Financial Instruments

a. Financial Assets

Financial assets comprises of in the trade receivables, cash and cash equivalents and other financial assets.

Initial recognition:

All financial assets are recognized initially at fair value plus in case of financial assets not are recorded fair value through profit or loss, transaction cost are attributable to the acquisition of financial assets purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the assets.

Subsequent measurement:

i. Financial assets measured at amortized cost:

Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognized at finance income in Statement of Profit and Loss.

The Company while applying above criteria has classified the following at Amortized cost

a) Trade receivable

b) Other Financial Assets

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ii. Financial assets at Fair Value through other comprehensive income (FVTOCI):
Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at FVTOCI. Fair value movements in financial assets at FVTOCI are recognized in other comprehensive income.

iii. Financial asset are measured at fair value through profit or loss (FVTPL)
Financial assets are measured at fair value through profit or loss if it does not meet the criteria for classification as measured at amortized cost or at fair value through other comprehensive income. All fair value changes are recognized in the Statement of Profit and Loss.

De recognition of financial assets
Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred and the transfer qualifies for de recognition. On de recognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of de recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in the Statement of Profit and Loss.

Impairment of financial assets
Trade receivables, contract assets under Ind AS 109 are tested for impairment based on the expected credit losses for respective financial asset.

I. Trade Receivables
An impairment analysis is performed at each reporting date. The expected credit losses over lifetime of the asset are estimated by adopting the simplified approach using a provision matrix which is based on historical loss rates reflecting current condition and forecast of future economic conditions. In this approach assets are grouped on the basis of similar credit characteristics such as industry, customer segment, past due status and other factors which are relevant to estimate the expected cash loss from these assets.

II. Other financial assets
Other financial assets are tested for impairment based on significant change in credit risk since initial recognition and impairment is measured based on probability of default over the lifetime when there is a significant increase in credit risk.

b. Financial liabilities
Initial Recognition and Measurement:
Financial liabilities are initially recognized at fair value plus any transaction cost that are attributable to the acquisition of the financial liabilities except financial liabilities at fair value through profit or loss which are initially measured at fair value.

Subsequent Measurement:
The financial liabilities are classified for subsequent measurement into following categories-
- At amortized cost
- At fair value through profit or loss

i. Financial liabilities at amortized cost
The companies classifying the following under amortized cost;
a) Trade payables
b) Other financial liabilities
Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount.

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ii. Financial liabilities at fair value through profit or loss
Financial liabilities held for trading are measured at FVTPL.

De recognition of financial liabilities
A financial liability shall be de recognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

c. Offsetting of financial assets and financial liabilities -
Financial assets and liabilities are offset and the net amount is presented in Balance Sheet when, and only when, the Company has a legal right to offset the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

d. Reclassification of Financial Assets –
The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no re classification is made for financial assets which are categorized as equity instruments at FVTOCI and financial assets of liabilities that are specifically designated at FVTPL. For Financial Assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be very in frequent. The management determines change in the business model as a result of external or internal changes which are significant to the company's operations. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies the financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the chic cases. The application of these exceptions and exemptions are as discussed below:, losses (including impairment gains or losses) or interest.

I Impairment
The Company makes assessment of any indicator that may lead to impairment of the Assets on an annual basis. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value, which is higher of net selling price and the value in use. Impairment loss, if any, is charged to profit and loss account in the year in which it is identified as impaired.

J Taxes on Income
The tax expense comprises of current tax & deferred tax charged or credited to the Statement of Profit and Loss for the year. Current tax is calculated in accordance with the tax laws applicable to the current financial year. The deferred tax charge or credit is recognized using the tax rates and tax laws that have been enacted by the balance sheet date. Where there are unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. At each balance sheet date, recognized and unrecognized deferred tax assets are reviewed

K Revenue Recognition
i) Rental Income is recognized on accrual basis in accordance with the terms of the respective lease agreements
ii) Interest income is recognized on time proportionate at basis

L Borrowing Costs
Borrowing costs (less any income on the temporary investments of those borrowings) attributable to qualifying assets are capitalized. Other borrowing costs are charged to profit and Loss account.

M Contingencies / Provisions
A provisions are recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
Contingent liabilities are not provided for unless a reliable estimate of probable outflow to the Company exists as at the Balance Sheet date. Contingent assets are neither recognized nor disclosed in the financial statements.

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N Earning Per Share

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to the equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of shares outstanding during the year. For the purpose of calculating diluted earning per share, net profit & loss for the year attributable to equity shareholders and weighted number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

O Lease

Where the Company is the lessee and the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

P Segmental Reporting

The Company's operation is considered under one segment "Retail and Leasing Business" for internal reporting. Therefore, the Company's business does not fall under different operational segments as defined by Ind AS 108 - "Operating Segments" referred to in Section 133 of the Companies Act, 2013.

I Recent accounting pronouncements

a Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from 1 April 2017.

b Amendment to Ind AS 7

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

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Notes to and forming part of the financial statements as at and for the year ended 31st March 2017

2.01

Investment Property

Particulars	Tangible Assets		
	Leasehold land and Building	Capital Work in Progress	Total
Gross Carrying value			
As at 1st April 2015	1,453.69	2,041.43	3,495.11
Additions	275.04	-	275.04
Deductions/ disposals	-	-	-
As at 31st March 2016	1,728.73	2,041.43	3,770.15
Additions	-	-	-
Deductions / disposals	89.70	-	89.70
As at 31st March 2017	1,639.03	2,041.43	3,680.45
Accumulated depreciation and impairment			
Balance as at 1st April 2015	328.73	-	328.73
Depreciation/ amortisation charge for the period	129.11	-	129.11
Accumulated Depreciation on diposals charge for the period	-	-	-
Balance as at 31st March 2016	457.84	-	457.84
Depreciation/ amortisation charge for the period	61.81	-	61.81
Accumulated Depreciation on diposals	25.32	-	25.32
Balance as at 31st March 2017	494.34	-	519.65
Net Carrying Value			
Balance as at 1st April 2015	1,124.95	2,041.43	3,166.38
Balance as at 31st March 2016	1,270.89	2,041.43	3,312.31
Balance as at 31st March 2017	1,144.69	2,041.43	3,186.12

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(₹ in Lakhs)

		As at March 31st, 2017	As at March 31st, 2016	As at April 1st, 2015
2.02	**Loans And Advances**			
	(a) Advances to Suppliers	4,222.85	4,222.85	3,639.44
		4,222.85	4,222.85	3,639.44
2.03	**Other Non Current Assets**			
	(a) Deposits with Government Authorities	9.01	9.01	9.01
	(b) Prepaid Gurantee expenses	70.05	80.05	-
		79.06	89.06	9.01
2.04	**Trade Receivables (Unsecured, considered good)**			
	Outstanding over Six Months from the date they became due			
	- considered good	2.25	17.32	1.10
	- considered doubtful	-	-	-
	Outstanding for a period less than six months from due date	67.32	26.17	17.07
		69.57	43.49	18.18
	Less: Allowance for doubtful debts	-	-	-
		69.57	43.49	18.18
2.05	**Cash and Cash equivalents**			
	(a) Balances With Banks	42.89	21.07	35.36
	(b) Cash On Hand	0.00	0.23	0.03
	(**As at March 31st 2017 Rs.408.00)			
		42.89	21.30	35.38
2.06	**Other Financial Assets**			
	Other receivables	37.32	-	-
		37.32	-	-
2.07	**Current Tax Assets (Net)**			
	Balance with Tax Authorities (Tax Deducted at Source)	3.38	2.19	9.46
		3.38	2.19	9.46
2.08	**Other Current Assets**			
	Other Amounts Recoverable			
	- Prepaid Gurantee Expenses	10.00	10.00	-
	- Prepaid Other Expenses	0.13	0.32	0.06
	Balances with tax authorites	16.35	20.24	18.02
		26.47	30.56	18.08

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(₹ in Lakhs)

Particulars	As at March 31st, 2017	As at March 31st, 2016	As at April 1st, 2015
2.09 Share Capital			
A) Authorised			
2,00,000 (Previous Year 2,00,000) Equity Shares of Rs. 10/- each	20.00	20.00	20.00
	20.00	20.00	20.00
ISSUED,SUBSCRIBED AND PAID UP			
Equity Share Capital			
50,000 Equity Shares (Previous Year 50,000) of Rs.10/- each fully paid up	5.00	5.00	5.00
	5.00	5.00	5.00

B) Reconciliation of shares outstanding at the beginning and at the end of the period

Equity Shares	As at March 31st, 2017		As at March 31st, 2016		As at March 31st, 2015	
	No of shares	₹ In Lakhs	No of shares	₹ In Lakhs	No of shares	₹ In Lakhs
At the beginning of the year	50,000	5.00	50,000	5.00	50,000	5.00
Shares issued during the year for cash	-	-	-	-	-	-
Shares issued during the year pursuant to conversion of CCPS	-	-	-	-	-	-
At the end of the year	50,000	5.00	50,000	5.00	50,000	5.00

C) Details of shareholders holding more than 5% of shares of the Company and shares held by holding & ultimate holding Company.

	As at March 31st, 2017		As at March 31st, 2016		As at March 31st, 2015	
	No of shares	% holding	No of shares	% holding	No of shares	% holding
Equity Shares of ₹ 10 each fully paid						
Lavasa Corporation Limited	50,000	100.00%	50,000	100.00%	50,000	100.00%

D) Details of Allotment of Shares for consideration other than cash, allotments of Bonus Shares and Shares bought back:

Particulars	Financial Year (Aggregate No. of Shares)				
	2016-17	2015-16	2014-15	2013-14	2012-13
Equity Shares :					
Fully paid up by way of bonus shares	-	-	-	-	-
Allotted pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Shares Bought Back	-	-	-	-	-

E) Rights & restriction attached to equity shareholders

The Company has only one class of equity shares having face value as ₹ 10/- each. Every holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. Any dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

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(₹ in Lakhs)

		As at March 31st, 2017	As at March 31st, 2016	As at April 1st, 2015
2.10	**Other Equity**			
A)	**Preference Share Capital**			
a)	**Authorised**			
	8,00,000 (Previous Year 8,00,000) 0.001% Convertible Preference Shares of ₹ 10/- each	80.00	80.00	80.00
	Total	80.00	80.00	80.00
	Issued, Subscribed and Paid Up Share Capital			
	Convertible Preference Share Capital classified as Equity			
	7,89,148 (Previous Year 7,89,148) 0.001% Convertible Preference Shares of ₹ 10/- each	78.91	78.91	78.91
	Total	78.91	78.91	78.91

b) **Reconciliation of shares outstanding at the beginning and at the end of the year**

Preference Shares	As at March 31st, 2017		As at March 31st, 2016		As at April 1st, 2015	
	No of shares	₹ In Lakhs	No of shares	₹ In Lakhs	No of shares	₹ In Lakhs
At the beginning of the Period / year	789,148	78.91	789,148	78.91	789,148	78.91
Shares issued during the year for cash	-	-	-	-	-	-
Shares issued during the year pursuant to conversion of CCPS	-	-	-	-	-	-
At the end of the Period / year	789,148	78.91	789,148	78.91	789,148	78.91

c) **Details of shareholders holding more than 5% of shares of the Company and shares held by holding & ultimate holding Company.**

Preference Shares	As at March 31st, 2017		As at March 31st, 2016		As at April 1st, 2015	
	No of shares	% holding	No of shares	% holding	No of shares	% holding
Preference Shares of ₹ 10 each fully paid						
Lavasa Corporation Limited (Holding Company)	78,948	100.00%	78,948	100.00%	78,948	100.00%

d) **Rights & restriction attached to Preference shareholders**

Dividend on cumulative redeemable preference shares proposed by Board of Directors is subject to approval of the shareholders in the Annual General Meeting. Each holder of preference share is entitled to one vote per share only on resolutions placed before the Company which directly affects the rights attached to preference shares. Cumulative preference shareholders are entitled to vote on every resolution if preference dividend remains unpaid for 2 years.

		As at March 31st, 2017	As at March 31st, 2016	As at April 1st, 2015
B)	**Reserves and Surplus**			
	(a) Securities Premium Reserve;			
	Opening Balance	7,812.57	7,812.57	7,812.57
	Add : Addition during the year	-	-	-
	Closing Balance	7,812.57	7,812.57	7,812.57
	(b) Surplus/(Deficit) as per the statement of profit & loss			
	Balance brought forward from last year	(2,179.34)	(1,829.17)	(1,576.21)
	Add: Profit/ (Loss) for the year	(163.42)	(350.17)	(252.96)
	Net Surplus / (deficit)	**(2,342.76)**	**(2,179.34)**	**(1,829.17)**
	Equity Contribution by Holding Company	97.64	97.64	-
	Total	5,646.36	5,809.78	6,062.31
2.11	**Deferred tax liabilities (net)**			
A	**Deferred Tax Liabilities**			
	Other Noncurrent/current assets -Guarantee Expenses	(24.74)	(27.83)	-
	Property, plant & Equipment	(110.62)	(65.47)	(69.00)
	Total	(135.36)	(93.30)	(69.00)
B	**Deferred Tax Assets**			
	Carried Forward Tax losses	135.36	93.30	69.00
	Others			
	Total	135.36	93.30	69.00
	Net Deferred Tax Liabilities (A-B)	-	-	-

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(₹ in Lakhs)

		As at March 31st, 2017	As at March 31st, 2016	As at April 1st, 2015
2.12	**Financial Liabilities** **Long-Term Borrowings** **Term loans - Secured** ***Central Bank of India*** a) First charge by way of hypothecation on the entire current assets including receivables of the Company, present and future.	1,795.33	1,604.00	-

b) First charge on all bank accounts of the Company including but not limited to the Escrow Account including any Reserve Account to be established by the Company.

c) Second pari-passu charge by way of mortgage on the specific marketable immovable assets of the Lavasa Corporation Limited (Holding Company) so has to maintain a minimum Fixed Asset Coverage Ratio (FACR) of 2 times during the currency of the Facility based on the market value of security at all point of time. The Company is in the process of creating the said charge.

d) Charge cum Assignment of all the Project Documents including Insurance Documents.

e) The Lender and borrower have a put/call option respectively at the end of 5th year from the date of first disbursement and every year thereafter. No prepayment premium shall be charged in the event of exercise of Put/Call Option.

Guarantee

Unconditional and irrevocable corporate guarantee of Lavasa Corporation Limited.

A) **Tenor and Repayment**

(i) Door to Door tenor of 7 years (Moratorium of 3 years and repayment period

(ii) The Borrower shall repay the Facility in 28 structured quarterly installments beginning after 3 years from the Effective Date as per following schedule :-

Year ended	Amount of repayment
31.03.2019	8,976,668
31.03.2020	17,953,337
31.03.2021	26,930,005
31.03.2022	26,930,005
31.03.2023	26,930,005
31.03.2024	35,906,673
31.03.2025	35,906,673
Total	179,533,365

	As at March 31st, 2017	As at March 31st, 2016	As at April 1st, 2015
Total Long Term Borrowing	1,795.33	1,604.00	-

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(₹ in Lakhs)

		As at March 31st, 2017	As at March 31st, 2016	As at April 1st, 2015
	Current liabilities			
	Financial Liabilities			
2.13	**Short Term Borrowings**			
	Inter Corporate Deposits from related parties(repayable on demand)	66.39	50.00	60.28
		66.39	50.00	60.28
2.14	**Trade Payables**			
	Trade Payables	6.62	103.46	651.98
		6.62	103.46	651.98
2.15	**Other Financial Liabilities**			
	(a) Deposits	113.72	100.64	104.71
	(b) Retention Deposit Payables	0.10	0.10	0.10
	(a) Interest Accrued And Due On Secured Borrowing	18.86	28.57	-
	(b) Interest Accrued And Due On Unsecured Borrowing On:			
	Inter Corporate Deposit From Holding Company	8.64	18.19	9.76
	(c) Others Payables:			
	(i) Creditors for Expenses - Inter Company	1.11	-	-
	(ii) Others Payables	1.13	0.33	0.13
		143.55	147.83	114.70
2.16	**Other Current Liabilities**			
	Statutory Dues Payables	4.41	1.69	1.67
		4.41	1.69	1.67

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(₹ in Lakhs)

	Particulars	For the Year ended 31st March,2017	For the Year ended 31st March,2016
2.17	**Revenue from Operations**		
	Rent Income	57.77	64.99
	Common Area Maintenance Income	12.91	15.39
		70.68	**80.39**
2.18	**Other Income**		
	Profit on Sale of Assets (Net)	120.51	-
	Miscellaneous Income	0.20	0.84
		120.72	**0.84**
2.19	**Office and Other Expenses**		
	Office & Other General Expenses	15.39	98.31
	Rent	8.86	8.36
	Bank Charges	0.00	0.02
	(*for the year ended 31 March 2017 Rs.485.01)		
	Rates & Taxes	0.45	11.83
	Professional & Consultation Charges	0.78	0.41
	Insurance	0.43	0.88
	Payment to Auditor		
	for Statutory Audit	0.69	0.40
		26.61	**120.21**
2.20	**Finance Cost**		
	Interest on Term Loans	246.80	166.06
	Guarantee Expenses	10.00	7.59
	Interest Paid On Inter Corporate Deposits	9.60	8.43
		266.40	**182.08**

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2.21 Contingent Liability

a)

(₹ in Lakhs)

Particulars	31st March 2017	31st March 2016
Contingent Liabilities	-	-

b) Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances)- Nil. (Previous year ₹ 226.09 Lakhs).

2.22 Related Party Disclosure

i) Particulars of Related Parties, which control or are under common control with the Company :

A) Holding Company & Ultimate Holding Company
Hindustan Construction Company Limited (HCC) - Ultimate Holding Company
HCC Real Estate Limited (HREL)- Parent Company of Holding Company
Lavasa Corporation Limited- Holding Company
B) Fellow Subsidiaries
Dasve Business Hotel Limited
Dasve Hospitality Institutes Limited
My City Technology Limited
Dasve Convention Center Limited
Full Spectrum Adventure Limited
Future City Multiservices Sez Limited
Hill City Service Apartments Limited
Lakeshore Watersports Company Limited
Kart Racers Limited
Lakeview Clubs Limited
Lavasa Bamboocrafts Limited
Lavasa Hotel Limited
Mugaon Luxury Hotels Limited
Nature Lovers Retail Limited
Hill View Parking Services Limited
Our Home Service Apartments Limited
Reasonable Housing Limited
Rhapsody Commercial Space Limited
Rosebay Hotels Limited
Sahyadri City Management Limited
Valley View Entertainment Limited
Verzon Hospitality Limited
Warasgaon Assets Maintenance Limited
Warasgaon Infrastructure Providers Limited
Warasgaon Power Supply Limited
Warasgaon Tourism Limited
Warasgaon Valley Hotels Limited
Subsidary of Ultimate holding company- Charosa Wineries Limited
C) Other Related Parties
Associates:
Knowledge Vistas Limited
Joint Ventures:
Green Hills Residences Limited
Spotless Laundry Services Limited
Whistling Thrush Facilities Services Limited
Ecomotel Hotel Limited
Starlit Resort Limited
Bona Sera Hotels Limited
Apollo Lavasa Health Corporation Limited
Andromeda Hotels Limited

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ii) Transactions with Related Parties during the period :

(₹ in Lakhs)

Nature of Transactions	Parent Company		Fellow Subsidiaries		Other Related Parties	
	31st March 2017	31st March 2016	31st March 2017	31st March 2016	31st March 2017	31st March 2016
Operating Income						
Charosa Wineries Limited	-	-	-	-	9.11	9.11
Services Received from						
Lavasa Corporation Limited	19.27	163.58	-	-	-	-
Sahyadri City Management Ltd	-	-	13.52	13.30	-	-
Ecomotel Hotel Limited	-	-	-	-	-	0.44
Included in Loans & Advances						
Lavasa Corporation Limited	4,222.85	4,222.85	-	-	-	-
Corporate Guarantee received and outstanding						
Lavasa Corporation Limited	1,795.33	1,604.00	-	-	-	-
Included in Trade Receivable						
Charosa Wineries Limited	-	-	-	-	19.98	10.38
Included in Other Receivables						
Lavasa Corporation Limited	37.32	-	-	-	-	-
Included in Inter Corporate Deposit						
Lavasa Corporation Limited	66.39	50.00	-	-	-	-
Interest accrued and due						
Lavasa Corporation Limited	9.60	8.43	-	-	-	-
Included in Deposits						
Nature Lovers Retail Limited	-	-	15.00	15.00	-	-
Included in Trade Payable						
Lavasa Corporation Limited	0.96	107.18	-	-	-	-
Ecomotel Hotel Limited	-	-	-	-	-	0.25
Sahyadri City Management Ltd	-	-	5.14	13.63	-	-
Included in Equity Share Capital						
Lavasa Corporation Limited	5.00	5.00	-	-	-	-
Included in Convertible Preference Share Capital						
Lavasa Corporation Limited	78.91	78.91	-	-	-	-

2.23 Earnings Per Share:

(₹ in Lakhs)

Particulars	31st March 2017	31st March 2016
Profit / (Loss) after taxation as per statement of profit and loss	(163.42)	(350.17)
Less: Preference Dividend on cumulative preference shares incl distribution tax	0.00	0.00
Net Profit / (Loss) after preference dividend	(163.42)	(350.17)
Weighted Average number of Equity Shares (for Basic EPS)	50,000	50,000
Earning Per Share (Basic) (in Rupees)	(326.84)	(700.34)
Weighted Average number of Equity Shares (for Diluted EPS)	50,000	50,000
Earning Per Share (Diluted) (in Rupees)	(326.84)	(700.34)

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2.24 Financial Instruments By Category

The carrying value and the fair value of financial instruments by each category as at March 31, 2017 :

(₹ in Lakhs)

Particulars	Financial assets / liabilities at amortised costs	Financial assets / liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair Value
Assets					
Trade receivables	69.57	-	-	69.57	69.57
Cash and Cash Equivalents	42.89	-	-	42.89	42.89
Other Financial Assets	37.32	-	-	37.32	37.32
Liabilities					
Borrowings from Banks	1,795.33	-	-	1,795.33	1,795.33
Borrowings from Others	66.39	-	-	66.39	66.39
Trade Payables	6.62	-	-	6.62	6.62
Other Financial Liabilities	143.55	-	-	143.55	143.55

The carrying value and the fair value of financial instruments by each category as at March 31, 2016:

(₹ in Lakhs)

Particulars	Financial assets / liabilities at amortised costs	Financial assets / liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total carrying value	Total fair Value
Assets					
Trade receivables	43.49	-	-	43.49	43.49
Cash and Cash Equivalents	21.30	-	-	21.30	21.30
Other Financial Assets	-	-	-	-	-
Liabilities					
Borrowings from Banks	1,604.00	-	-	1,604.00	1,604.00
Borrowings from Others	50.00	-	-	50.00	50.00
Trade Payables	103.46	-	-	103.46	103.46
Other Financial Liabilities	147.83	-	-	147.83	147.83

2.25 Interest Income / (Expenses), Gains / (Losses) recognized on financial assets and liabilities

(₹ in Lakhs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Financial Liabilities at Amortised Cost		
Interest expenses on borrowings, overdrafts and Intercorporate deposit	256.40	174.49
Total	256.40	174.49

2.26 Exposure to credit risk

The Gross carrying amount of financial assets, net of any impairment losses recognised represents the maximum credit exposure. The maximum exposure to credit risk as at March 31, 2017 and 2016 was as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Trade Receivables (Net)	69.57	43.49
Cash and Cash Equivalents	42.89	21.30
Other Financial Assets	37.32	-
Total	149.78	64.79

2.27 Financial assets that are past due but not impaired:

There is no other class of financial assets that is past due but not impaired are trade receivables and Other Financial Assets. The age analysis of trade receivables have been considered from the date of invoice. The aging of trade receivables , net of allowances, that are past due, is given below

(₹ in Lakhs)

Period (in days)	As at March 31, 2017	As at March 31, 2016
Within the credit period	-	-
1-30 days past due	12.06	10.17
31-1 year past due	28.30	31.07
1-3 year past due	29.19	2.25
More than 3 years past due	-	-
Total	69.56	43.49

Financial assets that are neither past due nor impaired

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Cash and Cash Equivalents	42.89	21.30

Details of collateral and other credit enhancements held

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
	Nil	Nil
	Nil	Nil

2.28 Liquidity Risks

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach for managing liquidity is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damages to the company's reputation. Typically the company ensures that it has sufficient cash on demand to meet expected operational expenses, servicing of financial obligations.

Maturity Analysis of financial instruments

As At March 31, 2017

(₹ in Lakhs)

Particulars	Carrying amount	Contractual Cash flow				
		0-12 Months	1-3 years	3-5 years	Above 5 years	Total
Borrowings from banks	1,795.33	259.00	757.00	933.00	1,080.00	3,029.00
Borrowings from others	66.39	66.39	-	-	-	66.39
Trade Payables	6.62	6.62	-	-	-	6.62
Other Financial Liabilities	143.55	143.55	-	-	-	143.55
Total	2,011.89	475.56	757.00	933.00	1,080.00	3,245.56

As At March 31, 2016

(₹ in Lakhs)

Particulars	Carrying amount	Contractual Cash flow				
		0-12 Months	1-3 years	3-5 years	Above 5 years	Total
Borrowings from banks	1,604.00	166.06	259.50	756.59	933.41	2,115.56
Borrowings from others	50.00	50.00	-	-	-	50.00
Trade Payables	103.46	103.46	-	-	-	103.46
Other Financial Liabilities including guarantee contracts	147.83	147.83	-	-	-	147.83
Total	1,905.30	467.35	259.50	756.59	933.41	2,416.85

2.29 Interest Rate Risk:

Interest rate risk is the risk that an upward movement in interest rates would adversely affect the borrowing costs of the Company

The Interest rate profile of the company's Interest bearing financial instruments were as follows:

(₹ in Lakhs)

	Carrying amount	
Particulars	As at March 31, 2017	As at March 31, 2016
Financial liabilities		
- Borrowings from Banks	1,795.33	1,604.00
- Borrowings from Others	66.39	50.00

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Cash flow sensitivity for variable rate instruments

An increase of 100 basis points in interest rates at the reporting date would have increased/ decreased equity and profit and loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis has been performed on the same basis for 2016.

(₹ in Lakhs)

Year ended	Equity	Profit or (Loss)
March 31, 2017	-	2.47
March 31, 2016	-	1.66

2.30 Reconciliation of Equity from Previous GAAP to Ind AS as at April 1, 2015 and March 31, 2016

(₹ in Lakhs)

Particulars	As at April 1, 2015	March 31, 2016
Equity as per Previous GAAP	6,067.31	5,724.73
Corporate Guarantee - Prepaid Expenses	-	90.05
Equity as per Ind AS	6,067.31	5,814.78

2.31 Reconciliation of material items of Balance Sheet as per Ind AS with Previous GAAP As at April 1, 2015

(₹ in Lakhs)

Particulars	As per Ind AS	As per Indian GAAP	Increase/ (Decrease)
Assets			
Investment Property	3,166.38	-	3,166.38
Fixed Assets	-	3,166.38	(3,166.38)
Other Non current assets	9.01	9.01	-
Long term loans and Advances	3,639.44	3,639.44	-
Trade Receivable	18.18	18.18	-
Cash and Cash equivalents	35.38	35.38	-
Current tax assets (net)	9.46	9.46	-
Other current assets	18.08	18.08	-
Short term Loan and advance	-	-	
Liabilities			
Other Long Term Liabilities	-	35.91	(35.91)
Borrowings (Current)	60.28	60.28	-
Trade Payables	651.98	651.98	-
Other Financial Liabilities	114.70	-	114.70
Other current liabilities	1.67	80.46	(78.79)

Reconciliation of material items of Balance Sheet as per Ind AS with Previous GAAP As at March 31, 2016

(₹ in Lakhs)

Particulars	As per Ind AS	As per Indian GAAP	Increase/ (Decrease)
Assets			
Investment Property	3,312.31	-	3,312.31
Fixed Assets	-	3,312.31	(3,312.31)
Other Non current assets	89.06	9.01	80.05
Long term loans and advances	4,222.85	4,222.85	
Trade Receivable	43.49	43.49	-
Cash and Cash equivalents	21.30	21.30	-
Current tax assets (net)	2.19	2.19	
Other current assets	30.56	20.56	10.00
Liabilities			
Borrowings (Non current)	1,604.00	1,604.00	-
Borrowings (Current)	50.00	50.00	-
Trade Payables	103.46	103.46	-
Other Financial Liabilities	147.83	-	147.83
Other Current liabilities	1.69	115.17	(113.48)
Other Non current Liabilities	-	34.35	(34.35)

2.32 Reconciliation of Net profit from Previous GAAP to Ind AS for the year ended March 31, 2016

(₹ in Lakhs)

Particulars	March 31, 2016
Net profit as per Previous GAAP	(342.58)
Corporate Guarantee Expenses	7.59
Net profit as per Ind AS	(350.17)

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2.33 Reconciliation of material items of Statement of Cashflows for the year ended March 31, 2016 as per IND AS with Previous GAAP As at March 31, 2016

(₹ in Lakhs)

Particulars	As per Ind AS	As per Indian GAAP	Increase/ (Decrease)
Cash generated from operations	(574.86)	(574.86)	-
Net cash used in investing activities	(858.45)	(858.45)	-
Net cash used in financing activities	1,419.24	1,419.24	-
Cash and cash equivalents at the beginning of the year	35.38	35.38	-
Cash and cash equivalents at the end of the year	21.30	21.30	-

2.34 Deferred Tax Assets and Liabilities

1 Movement in temporary differences during current and previous year

(₹ in Lakhs)

Particulars	Prepaid Guarantee Expenses	Property, Plant & equipment	Tax loss carry forward
Balance as at April 1, 2015	-	(69.00)	69.00
Recognised in Income Statement	(27.83)	3.53	24.29
Recognised in equity			
Balance as at March 31, 2016	(27.83)	(65.47)	93.30
Recognised in Income Statement	3.09	(45.15)	42.06
Recognised in equity			
Balance as at March 31, 2017	(24.74)	(110.62)	135.36

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Unrecognised deferred tax asset	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Deductible temporary differences			
Unrecognised tax losses	687.44	636.94	558.92
Total	687.44	636.94	558.92

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Income Tax Expenses recognised in P&L	As at March 2017	As at March 2016
Current tax expenses /(Reversal)	-	-
Deferred Tax expense	-	-
Origination and reversal of Temporary difference	3.09	27.83
Reversal of previously recognised losses/ temporary differences	(3.09)	(27.83)
Total	-	-

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Reconciliation of effective tax rates	As at March 2017	As at March 2016
Profit Before Tax	(163.42)	(350.17)
Enacted tax rates in India	30.90%	30.90%
Expected Tax Expense/ (Benefit)	(50.50)	(108.20)
Effect of :		
Other expenses not deductible for tax purposes		
Unrecognised deferred tax assets/ liabilities on temporary differences	50.50	108.20
Expenses/ Income not taxable	-	
Total	-	-

2.35 Trade Receivables

The company has used a practical expedient by computing the expected credtit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into accouunt historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the aging of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

(₹ In Lakhs)

Age of Receivables	Expected Credit loss %
Within the credit period	-
1-30 days past due	-
31-60 days past due	-
61-90 days past due	-
More than 90 days past due	100%

Age of Receivables	As at March 31, 2017	As at March 31, 2016
1-30 days past due	12.06	10.17
31-1 year past due	28.30	31.07
1-3 year past due	29.19	2.25
More than 3 years past due	-	-
Total	69.56	43.49

Movement in Expected Credit loss allowance	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year	-	-
Movement in expected credit loss allowance on trade receivables calculated at lifetime	-	-
Balance at the end of the year	-	-

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2.36 Summary of borrowing arrangements:

The company has variable rate loan with Central Bank fo India. The weighted average effective interest rate is 13.75%. At the end of the year interest amount overdue is Rs.18.86 lacs. Details of breaches and defaults are as follows -

Particulars	Principal paid with delay	Unpaid principal	Interest paid with delay	Unpaid Interest
Central Bank of India				
1 to 30 days	-	-	20.35	18.86
1 to 3 months	-	-	58.59	
3 months and above	-	-	167.87	
Total	-	-	246.80	18.86

2.37 Disclosure required by Micro, Small and Medium Enterprises (Development) Act, 2006.

As per requirement of Section 22 Micro, Small & Medium Enterprises Development Act, 2006 following information is disclosed:

Particulars	As at March 31, 2017	As at March 31, 2016
(i) Principal amount remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
(ii) Interest due on (i) above remaining unpaid	Nil	Nil
(iii) Amounts paid beyond the appointed day during the accounting year	Nil	Nil
(iv) Interest paid on (iii) above	Nil	Nil
(v) Interest due and payable on (iii) above	Nil	Nil
(vi) Interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
(vii) Interest remaining unpaid of the previous years for the purpose of disallowance under the Income Tax Act, 1961	Nil	Nil
The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.		

2.38 Disclosures as per Notification GSR 308(E) dated March 30, 2017 of Ministry of Corporate Affairs in respect of details of Specified bank Notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016:

(Amount in ₹)

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	15,000.00	408.00	15,408.00
(+) Permitted receipts	-	-	-
(-) Permitted Payments	-	-	-
(-) Amount deposited in Banks	15,000.00	-	15,000.00
Closing cash in hand as on 30.12.2016	-	408.00	408.00

2.39 Previous year's figures have been regrouped/recasted where necessary.

As per our attached report of even date

For G. D. Apte & Co.
Chartered Accountants
ICAI Firm Registration No. 100515W

U. S. Abhyankar
Partner
Membership No. 113053

Place: Mumbai
Date: 18th April, 2017

For and on behalf of the Board of Directors

Harshad Bhatt
Director
DIN : 07520677

Mukund Rathi
Director
DIN : 07260182

Neel Patil
Director
DIN : 07559308

Place: Mumbai
Date: 18th April, 2017